



Health Services

LOS ANGELES COUNTY

June 5, 2007

Los Angeles County Board of Supervisors

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT (All Districts Affected) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services or his designee to accept the attached offers of compromise, pursuant to Section 1473 of the Health and Safety Code, to settle the following individual accounts for patients who received medical care at non-County facilities under the Trauma Center Service Agreement:

(1)	Account Number EMS 118	\$19,840
(2)	Account Number EMS 121	\$17,426
(3)	Account Number EMS 110	\$13,110
(4)	Account Number EMS 107	\$12,500
(5)	Account Number EMS 116	\$11,533
(6)	Account Number EMS 115	\$10,836
(7)	Account Number EMS 113	\$ 8,951
(8)	Account Number EMS 119	\$ 4,317
(9)	Account Number EMS 120	\$ 4,300
(10)	Account Number EMS 117	\$ 3,500
(11)	Account Number EMS 109	\$ 1,000
(12)	Account Number EMS 108	\$ 1,000

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The compromise offers of settlement for patient accounts (1) – (12) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the insurance policy or tort settlements involved in these cases.

The County has entered in a number of agreements with non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. This agreement allows the County, after it has made payment for a particular patient, to pursue recovery from third parties, who are financially responsible for such trauma care.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net recovery on these accounts.

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

Robert G. Splawn, MD
Senior Medical Director

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Implementation of Strategic Plan Goal:

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING:

This will expedite the County's recovery of trauma funds totaling \$108,312.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

CONTRACTING PROCESS:

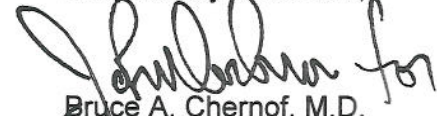
Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

All payments received will replenish the Los Angeles County Trauma Fund.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:cm
(F:\COMPROMISEBROLTREMS\LETTER)

Attachments

- c. Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 1
DATE: June 5, 2007**

Total Charges (Providing Facility)	\$39,680	Account Number	EMS 118
Amount Paid to Providing Facility	\$7,500	Service Type	Inpatient
Compromise Amount Offered	\$19,840	Date of Service	08/02/2004-08/03/2004
		% of Payment Recovered	265%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Cedars Sinai Medical Center and incurred total inpatient charges of \$39,680 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$7,500. The patient's third-party claim has been settled for \$100,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$100,000)
Attorney fees	\$40,000	\$40,000	40.00%
Attorney Cost	\$1,258	\$0	0.00%
Los Angeles County	\$39,680	\$19,840	19.84%
Other Lien Holders	\$5,241	\$5,241	5.24%
Patient		\$34,919	34.92%
Total	\$86,179	\$100,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 2
DATE: June 5, 2007**

Total Charges (Providing Facility)	\$254,164	Account Number	EMS 121
Amount Paid to Providing Facility	\$49,900	Service Type	Inpatient
Compromise Amount Offered	\$17,426	Date of Service	10/28/04-11/20/04
		% of Payment Recovered	35%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient charges of \$254,164 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$49,900. The patient's third-party claim has been settled for \$260,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$260,000)
Attorney fees	\$104,000	\$104,000	40.00%
Attorney Cost	\$17,022	\$17,022	6.54%
Los Angeles County	\$254,164	\$17,426	6.71%
Other Lien Holders	\$149,085	\$52,062	20.02%
Patient		\$69,488	26.73%
Total	\$524,273	\$260,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 3
DATE: June 5, 2007**

Total Charges (Providing Facility)	\$38,649	Account Number	EMS 110
Amount Paid to Providing Facility	\$15,700	Service Type	Inpatient
Compromise Amount Offered	\$13,110	Date of Service	08/11/05-08/15/05
		% of Payment Recovered	84%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Henry Mayo Newhall Memorial Hospital and incurred total inpatient charges of \$38,649 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$15,700. The patient's third party claim has been settled for \$50,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$50,000)
Attorney fees	\$20,000	\$16,670	33.33%
Attorney Cost	\$2,168	\$2,168	4.33%
Los Angeles County	\$38,649	\$13,110	26.21%
Other Lien Holders	\$7,274	\$2,647	4.93%
Patient		\$15,584	31.20%
Total	\$68,091	\$50,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: June 5, 2007

Total Charges (Providing Facility)	\$182,582	Account Number	EMS 107
Amount Paid to Providing Facility	\$39,100	Service Type	Inpatient
Compromise Amount Offered	\$12,500	Date of Service	08/12/05-08/29/05
		% of Payment Recovered	32%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Northridge Hospital/Roscoe Campus and incurred total inpatient charges of \$182,582 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$39,100. The patient's third-party claim has been settled for \$30,000, and the defendant paid an additional \$20,000 to the patient. The gross settlement is \$50,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$50,000)
Attorney fees	\$20,000	\$17,000	34.00%
Attorney Cost	\$425	\$425	.85%
Los Angeles County	\$182,582	\$12,500	25.00%
Other Lien Holders	\$46,911	\$13,100	26.20%
Patient		\$6,975	13.95%
Total	\$249,918	\$50,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 5
DATE: June 5, 2007**

Total Charges (Providing Facility)	\$38,677	Account Number	EMS 116
Amount Paid to Providing Facility	\$11,533	Service Type	Inpatient
Compromise Amount Offered	\$11,533	Date of Service	12/07/05-12/09/05
		% of Payment Recovered	100%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Henry Mayo Newhall Memorial Hospital and incurred total inpatient charges of \$38,677 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$11,533. The patient's third-party claim has been settled for \$115,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$115,000)
Attorney fees	\$46,000	\$46,000	40.00%
Attorney Cost	\$2,000	\$2,000	1.73%
Los Angeles County	\$38,677	\$11,533	10.03%
Other Lien Holders	\$6,234	\$6,234	5.42%
Patient		\$49,233	42.82%
Total	\$92,912	\$115,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 6
DATE: June 5, 2007**

Total Charges (Providing Facility)	\$34,986	Account Number	EMS 115
Amount Paid to Providing Facility	\$10,700	Service Type	Inpatient
Compromise Amount Offered	\$10,836	Date of Service	07/21/04-07/23/04
		% of Payment Recovered	101%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$34,986 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$10,700. The patient's third party claim has now settled for \$145,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$145,000)
Attorney fees	\$58,000	\$58,000	40.00%
Attorney Cost	\$3,033	\$3,033	2.10%
Los Angeles County	\$34,986	\$10,836	7.50%
Other Lien Holders	\$15,004	\$11,552	8.00%
Patient		\$61,577	42.50%
Total	\$111,023	\$145,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 7
DATE: June 5, 2007**

Total Charges (Providing Facility)	\$35,806	Account Number	EMS 113
Amount Paid to Providing Facility	\$10,800	Service Type	Inpatient
Compromise Amount Offered	\$8,951	Date of Service	07/24/02-07/29/02
		% of Payment Recovered	83%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Northridge Hospital/Roscoe Campus and incurred total inpatient charges of \$35,806 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$10,800. The patient's third party claim has now settled for \$25,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$25,000)
Attorney fees	\$10,000	\$10,000	40.00%
Attorney Cost	\$432	\$432	1.70%
Los Angeles County	\$35,806	\$8,951	35.80%
Other Lien Holders	\$22,461	\$5,616	22.50%
Patient		\$0	0.00%
Total	\$68,700	\$25,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 8
DATE: June 5, 2007**

Total Charges (Providing Facility)	\$29,759	Account Number	EMS 119
Amount Paid to Providing Facility	\$14,861	Service Type	Inpatient
Compromise Amount Offered	\$4,317	Date of Service	12/11/03-12/17/03
		% of Payment Recovered	29%

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient charges of \$29,759 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$14,861. The patient's third party claim has now settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$6,000	\$6,000	40.00%
Attorney Cost	\$365	\$365	2.44%
Los Angeles County	\$29,759	\$4,317	28.78%
Other Lien Holders	\$31,979	\$4,317	28.78%
Patient		\$0	0.00%
Total	\$68,104	\$15,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 9
DATE: June 5, 2007**

Total Charges (Providing Facility)	\$43,578	Account Number	EMS 120
Amount Paid to Providing Facility	\$10,700	Service Type	Inpatient
Compromise Amount Offered	\$4,300	Date of Service	10/07/05-10/09/05
		% of Payment Recovered	40%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at California Hospital Medical Center and incurred total inpatient charges of \$43,578 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$10,700. The patient's third party claim has now settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$5,000	33.30%
Attorney Cost	\$212	\$212	1.40%
Los Angeles County	\$43,578	\$4,300	28.70%
Other Lien Holders	\$6,602	\$700	4.70%
Patient		\$4,788	31.90%
Total	\$55,392	\$15,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 10
DATE: June 5, 2007

Total Charges (Providing Facility)	\$206,721	Account Number	EMS 117
Amount Paid to Providing Facility	\$46,300	Service Type	Inpatient
Compromise Amount Offered	\$3,500	Date of Service	7/18/05-8/8/05
		% of Payment Recovered	8%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$206,721 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$46,300. The patient's third party claim has now settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$3,750	25.00%
Attorney Cost	\$850	\$850	5.70%
Los Angeles County	\$206,721	\$3,500	23.30%
Other Lien Holders	\$9,986	\$1,900	12.70%
Patient		\$5,000	33.30%
Total	\$222,557	\$15,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 11
DATE: June 5, 2007

Total Charges (Providing Facility)	\$159,631	Account Number	EMS 109
Amount Paid to Providing Facility	\$28,360	Service Type	Inpatient
Compromise Amount Offered	\$1,000	Date of Service	10/10/05-10/21/05
		% of Payment Recovered	4%

JUSTIFICATION

This patient and a family member (see transmittal #12) were involved in a solo automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$159,631 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$28,360. The patient's own insurance policy included a maximum Med-Pay coverage of \$2,000 of which \$1,000 was applied to this claim.

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 12
DATE: June 5, 2007

Total Charges (Providing Facility)	\$33,977	Account Number	EMS 108
Amount Paid to Providing Facility	\$3,800	Service Type	Inpatient
Compromise Amount Offered	\$1,000	Date of Service	10/10/05-10/10/05
		% of Payment Recovered	26%

JUSTIFICATION

This patient and a family member (see transmittal # 11) were involved in a solo automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$33,977 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$3,800. The patient's own insurance policy included a maximum Med-Pay coverage of \$2,000 of which \$1,000 was applied to this claim.

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Board Agenda: **June 5, 2007**

FACT SHEET

RE: REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT

All Districts.

CONTACT PERSONS:

Department of Health Services
Cathy Chidester, Acting Director
Emergency Medical Services Agency
(323) 890-7545
Cchidester@ladhs.org

Department of Health Services
Andree A. Stecker, Chief Administrative Services
Emergency Medical Services Agency
(323) 869-7154
Astecker@ladhs.org

SUBJECT:

The Director of Health Services is filing a Board letter for the June 5, 2007 agenda to obtain Board approval of the compromise offers of settlement for the following individual accounts for patients who received medical care at non-County operated facilities under the Trauma Center Service Agreement:

Account Number EMS 118	\$19,840
Account Number EMS 121	\$17,425
Account Number EMS 110	\$13,109
Account Number EMS 107	\$12,500
Account Number EMS 116	\$11,532
Account Number EMS 115	\$10,835
Account Number EMS 113	\$ 8,951
Account Number EMS 119	\$ 4,371
Account Number EMS 120	\$ 4,300
Account Number EMS 117	\$ 3,500
Account Number EMS 109	\$ 1,000
Account Number EMS 108	\$ 1,000

REQUESTED ACTIONS:

The Board is being asked to authorize the Director of Health Services, or his designee, to accept the compromise offers of settlement for the patient accounts above in accordance with the Compromise Ordinance adopted by the Board on January 15, 2002 and the revision adopted on November 8, 2005.

PROGRAM:

In January, 2002 the Board approved an ordinance granting the Director authority to reduce patient account liabilities when in the best interest of the County.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less, with any reduction exceeding the Director's authority requiring Board approval.

FACT SHEET (Cont.)

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on November 8, 2005.

CONTRACT AMOUNT:

Not applicable.

TERMINATION PROVISIONS:

Not applicable.

TERM OF CONTRACT:

Not applicable.

AUTOMATIC RENEWAL:

Not applicable.

FIRST BOARD APPROVAL:

Not applicable.

RETROACTIVE AGREEMENT:

Not applicable.

REQUEST FOR PROPOSALS PROCESS:

Not applicable.

SOLE SOURCE JUSTIFICATION:

Not applicable.

SMALL BUSINESS' WEB SITE:

Not applicable.